From: Fidel Davila
To: Microsoft ATR
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**Subject:** Microsoft Antitrust Settlement Comments

I am writing to state my opposition to the proposed Microsoft anti-trust settlement. In general, the proposed settlement does little to change the underlying monopolistic practices of Microsoft Corporation.

First, history has shown that monopolies must be broken up into several entities OR become regulated if they are to stay as single units. Standard Oil and AT&T are just two situations that prove that break-up of monopolies lead to future increased competition and better services for the US public. And, investors in these companies ended up in better economic positions. Barring break-up, strict regulatory control like AT&T before its break-up is required to control the monopoly. The proposed Microsoft settlement does not break-up the company to increase competition nor provide sufficient regulation to prevent continue monopolistic practices.

Second, controlling Microsoft in current monopolistic areas will not prevent Microsoft from using their monopoly to control other areas of the digital realm. Microsoft wants to monoplize the PDA arena with its Pocket Windows system, television recording with its Ultimate TV, digital game boxes with their X-boxes, and regular television through set top box software being developed. They will use the same tactics used in gaining monopolies in web browsers and mutli-media players to dominate these other areas. So, limiting Microsoft's monopolistic practices in some desktop operating systems and extensions areas will do nothing to control them from acquiring monopolies in these other areas noted.

Microsoft's distain for the US anti-monopoly laws and unrepentent attitude revealed itself in Microsoft's initial proposed settlement with the nine states that opted out of the federal settlement. Their proposed settlement actually would have increase their monopoly into the educational area - one of the few areas they do not monopolize. Their arrogance at using a anti-monopoly settlement to extent their monopoly is incredible. The current proposed settlement does nothing to change this arrogance.

In summary, Microsoft's problem is one of attitude and processes. The current settlement does limit these marginally in the areas where Microsoft currently has monopolies but does nothing to prevent Microsoft from gaining monopolies in other areas of the digital realm. So, Microsoft keeps their current monopolies and is allowed to gain monopolies in other areas. Where do we - the general public - win?

Given the current distaste for regulatory control of businesses, the

only credible action is the break-up of MicroSoft into multiple entities. These would be at a minimum: a) an operating/server systems unit, b) applications unit and c) multi-media unit. Then an only then will Microsoft units be in positions to cooperate with other to compete. With competition, the public will win!

Fidel Davila 5909 Edinburgh Drive Plano, Texas 75092 972-378-9996